

PROPERTY TAX MILLAGE RATE

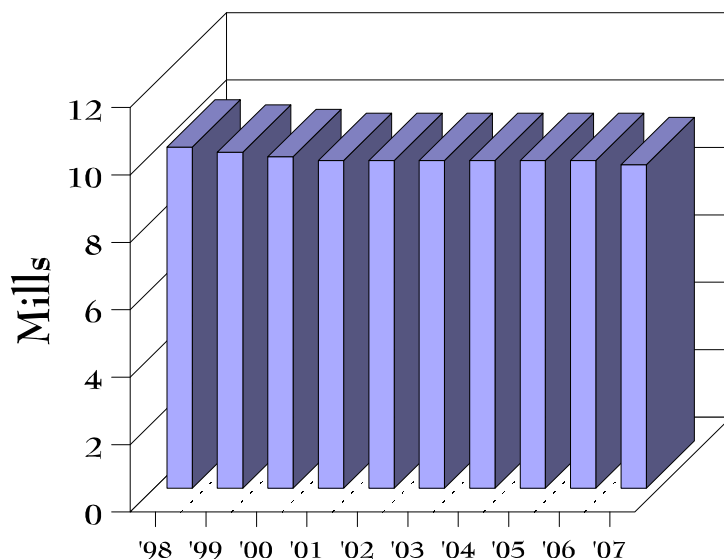
For the second consecutive year, Cobb County has maintained its Property Tax millage rate at 9.60. Cobb County, under current leadership, continues to maintain the lowest millage rate in the Metro-Atlanta area.

History of Millage Rate Decreases-Over the Last Ten Years

FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY07 vs. FY98 Decrease
10.12	9.97	9.84	9.72	9.72	9.72	9.72	9.72	9.60	9.60	-5.2%

FLOATING HOMESTEAD EXEMPTIONS - ASSESSED VALUES

In addition to the standard exemptions, Cobb County residents have enjoyed the benefits of Cobb's floating homestead exemption. The Cobb County 'floating' Homestead Exemption was effective starting in January 2001. Whenever a 'homesteaded' homeowner's property tax assessment increases as a result of a property reassessment, then the Cobb BOC-general fund's homestead exemption is increased by the same amount to exactly offset the assessment increase.

Millage Decreases

2007 tax year.

This floating homestead exemption applies only to that portion of the tax bill levied by the Cobb County Board of Commissioners for the General Fund and to the Cobb cities' general fund levies. Taxes for schools, bond indebtedness and fire protection are not affected. The exemption is limited to properties otherwise qualified for and currently receiving homestead exemption. This benefit is in addition to all other homestead exemptions applicable to county taxes.

The exemption automatically renews annually as long as the qualified homeowner continues to occupy the residence. It terminates when the property is sold or no longer qualifies for homestead exemption. As a result of this floating homestead exemption, Cobb County tax payers will save approximately \$24.2 million in the

SUMMARY

The table below compares the original FY 08 Proposed to the new FY 08 Amended budget of the Operating and Capital Funds.

Cobb County prepares a two-year budget; however, Georgia law requires the adoption of one year at a time. Therefore, the second-year budget is initially presented as a tentative financial plan, and later amended to reflect current recommendations.

<u>Funds</u>	<u>FY 08 Proposed</u>	<u>FY 08 Recommended</u>
General Fund	\$340,015,953	\$337,946,081
Claims	\$68,304,112	\$69,935,031
Compost	\$8,189,645	\$5,759,161
CSBG	\$314,111	\$527,077
Debt Service	\$7,727,552	\$8,832,316
E911	\$10,562,948	\$10,069,738
Fire	\$67,836,579	\$70,061,783
Golf Course	\$2,341,950	\$2,258,879
Grant-Child Support	\$1,055,240	\$1,055,240
Hotel/Motel Tax	\$3,476,900	\$10,712,988
Law Library	\$529,163	\$635,532
Mable House Barnes	\$1,570,684	\$0
Parking Deck	\$468,264	\$470,644
Senior Services	\$6,179,240	\$6,013,444
Solid Waste	\$8,407,665	\$9,183,379
Transit	\$16,856,789	\$16,875,870
Water	\$180,446,147	\$161,672,074
Operating Funds-Total	\$724,282,942	\$712,009,237
800 MHz Radio System	\$13,847,106	\$13,847,106
Capital Projects	\$16,859,815	\$16,892,216
CDBG	\$3,335,621	\$3,752,021
HOME Program	\$1,609,672	\$1,752,573
Justice Assistance Grant	\$70,742	\$154,076
Water RE&I	\$45,205,500	\$44,558,744
Water SDF	\$59,500,000	\$59,498,755
Capital/Grant Funds-Total	\$140,428,456	\$140,455,491
TOTAL	\$864,711,398	\$852,464,728

The following table presents revenues and expenditures by category for all Operating Fund budgets combined.

COMBINED-OPERATING FUNDS' BUDGETS		
	FY 08 <u>Proposed</u>	FY 08 <u>Recommended</u>
REVENUES:		
General Property Taxes	\$258,677,477	\$248,719,007
Penalties & Interest	\$4,353,601	\$4,660,933
Other Taxes	\$39,896,045	\$46,571,312
Licenses & Permits	\$21,650,221	\$21,156,761
Intergovernmental Revenue	\$11,047,475	\$20,279,887
Charges for County Services	\$237,719,482	\$233,080,975
Fines & Forfeitures	\$18,504,241	\$17,171,484
Miscellaneous Revenue	\$15,666,604	\$17,903,366
Other Financing Sources	\$116,767,796	\$102,465,512
TOTAL REVENUES	\$724,282,942	\$712,009,237
EXPENDITURES:		
Personal Services	\$305,939,347	\$314,279,467
Operating	\$350,957,738	\$354,229,520
Debt Service	\$37,723,351	\$18,383,534
Capital Outlay	\$3,700,530	\$3,572,639
Contingency	\$25,961,976	\$21,544,077
TOTAL EXPENDITURES	\$724,282,942	\$712,009,237

OPERATING BUDGET - AMENDMENTS

The following are highlights of amendments of the Operating and Capital Fund budgets which represent a majority of the changes between the original FY 08 Proposed Budget and the new FY 08 Amended Budget.

Operating Funds' Budgets:		
General Fund		FY 08 Adjustments
800 MHz Batteries		(\$15,000)
800 MHz Radio-TV-Communications Equipment R&M		(\$25,000)
800 MHz Registration Fees		(\$8,000)
ASAP Juvenile Court Medical & Dental Services		(\$2,274)
ASAP Juvenile Court Subscriptions		(\$500)
Child Support 2% Salary Improvement		\$5,808
Clerk of State Court Advertising & Legal Notices		(\$2,485)
Clerk of Superior Court Telephone expenses savings (VOIP)		(\$10,800)
DOT Operating Miscellaneous Expenses		(\$197,795)
Economic Development Memberships & Travel		(\$490)
General Fund Admin. 2% Salary Improvement		\$61,712
General Fund Admin. Comp Plan for Sworn officers		\$261,867
General Fund Admin. Designated Contingency		(\$592,422)
General Fund Admin. Miscellaneous Capital Contingency		\$1,543,354
General Fund Personal Services - Impact of FY07 Merit, Comp Plan & Positions		\$3,016,871
General Fund Admin. Salary Contingency		(\$3,929,011)
General Fund Admin. Telephone & Data expenses savings (VOIP Project)		(\$90,400)
Government Service Center Postage		(\$125,067)
Government Service Center Postage for new position		(\$19,775)
Government Service Center Part -Time		(\$14,333)
Information Services Operating Miscellaneous Expenses		(\$261,471)
Interfund transfer for Casualty & Liability		(\$3,112,914)
Interfund to Senior Services Fund		(\$273,916)
Interfund to Solid Waste Fund		\$347,893
Interfund transfers for Transit Fund		\$19,081

Juvenile Court Interpreter Fee	(\$400)
Library Part-Time	(\$104,679)
Library Personal Services-Impact of Minimum Wage	\$3,712
Mable House Barnes Amphitheatre transfer to General Fund	\$1,449,087
Magistrate Court Food Services supplies	(\$500)
Parks Building materials	(\$10,000)
Parks Landscaping materials	(\$3,000)
Parks Part-Time	(\$100,000)
Parks Repair & Maintenance	(\$67,000)
Police COPS Local Share - DUI HEAT	\$42,000
Police Part-Time Day (School Patrol)	\$7,508
Property Management Maintenance Contracts	(\$26,000)
Property Management Operating Expenses	(\$105,115)
Public Safety On-Going Reward fund	\$25,000
Records Microfilming & Copy supplies	(\$54,693)
Sheriff (30) new positions	\$814,153
Sheriff Computer Forensics Lab equipment	\$5,650
Sheriff Computer Forensics Lab training	\$5,047
Sheriff-Jail Over-Time	(\$200,000)
Sheriff Meal Service Fee	(\$157,500)
Sheriff Medical & Dental Services	(\$157,499)
Sheriff Maintenance Contracts	\$26,000
Sheriff Telephone expense savings (VOIP Project)	(\$90,000)
Sheriff Uniforms & Equipment	\$82,806
Sheriff Uniforms & Equipment for new positions	\$156,330
Solicitor (2) positions	\$134,829
State Court Food Service supplies	(\$500)
Superior Court Telephone expense savings (VOIP Project)	(\$1,500)
Support Services Over-Time	(\$7,100)
Support Services Supplies	(\$50)
Tax Assessor Supplies	(\$1,306)

Tax Commissioner Maintenance Contract with Tyler Technologies	\$176,894
Tax Commissioner Professional Services	(\$16,776)
Vehicle Acquisition Capital replacement	(\$500,000)
General Fund's Interfund Transfers to Capital Funds	FY 08 Adjustments
Clerk of Superior Court computer system- revised implementation	(\$500,766)
Cobb Addressing Repository (CAR) Computer System	\$105,739
Cobb County Administration Building (A) Renovations	\$142,943
Community Development Business Application- revised capital lease schedule	(\$311,169)
Financial & HR System Upgrade	\$114,700
Interfund transfer to Water RE&I Fund for Stormwater Projects	(\$634,539)
Judicial Case Management System upgrade - revised capital lease schedule	(\$36,804)
Mobile Data Computers-Sheriff	\$86,000
Police & Sheriff Records Management Computer System replacement	\$483,148
Sheriff's Tactical Team Equipment	\$190,566
Voice Over IP and Integrated Voice Response Implementation	\$592,059
Claims Funds	FY 08 Adjustments
Health & Dental Fund-Increases related to increased Personal Services	\$1,514,290
Workers Compensation Fund-Increases related to increased Personal Services	\$116,629
Compost Fund	FY 08 Adjustments
Administrative Expenses	(\$30,039)
Bond Principal Expense	(\$1,855,000)
Contingency	\$914
Operating Expenses-Variou s expense objects	(\$463,621)
Personal Services	(\$80,909)
Telephone expense savings (VOIP Project)	(\$1,829)
Community Services Block Grant (CSBG) Fund	FY 08 Adjustments
Increase Projected Grant funding to the level of the FY 07 actual award	\$212,966
Debt Service Fund	FY08 Adjustments
General Obligation Parks Bond	\$934,626

E911 Fund	FY 08 Adjustments
2% Salary Range Improvements	\$13,060
Administrative Costs	(\$56,514)
Cobb Addressing Repository (CAR)	\$44,109
Full-Time Merit	\$16,040
Interfund for Casualty/Liability	\$82,683
Pay Study Phase II	(\$188,982)
Personnel Services	(\$344,256)
Fire Fund	FY 08 Adjustments
2% Salary Range Improvements	\$13,788
Administrative Costs	\$267,253
Airport Rescue/Firefighting Facility Const. Contingency Deferment	(\$314,714)
Apparatus Maintenance Facility Renovation Contingency Deferment	(\$350,000)
Buildings & Grounds R&M Service	(\$21,054)
Cobb Addressing Repository (CAR)	\$286,990
Fire Station #18 Relocation Contingency Deferment	(\$1,850,000)
Full-Time Merit	\$183,115
In-House Training	(\$20,000)
Mobile Fire Safety Education House Contingency Deferment	(\$80,000)
Over-Time	\$713,294
Pay Study Phase II	(\$767,324)
Personnel Services-Impact of FY 07 Merit, Comp Plan & New Positions	\$4,222,464
Sworn Positions-Salary Contingency to address Compression Issues	\$56,024
Golf Course Fund	FY 08 Adjustments
Bond Payment- Principal	(\$83,071)
Hotel-Motel Tax Fund	FY 08 Adjustments
Contributions to Metro Atlanta Arts (MAACC)	\$100,000
Increase per Generally Accepted Accounting Principals (show 100% vs. 37.5%)	\$7,237,899
Law Library Fund	FY 08 Adjustments
Administrative Costs	(\$9,324)

2008 Amended Budget**Budget Summary**

Contingency	\$5,121
Personnel Services-Impact of FY 07 Merit & Positions	\$110,572

Mable House Barnes Amphitheatre Fund	FY 08 Adjustments
Mable House Barnes Amphitheatre moves to General Fund	(\$1,570,684)
Parking Deck Fund	FY 08 Adjustments
Administrative Costs	\$1,946
Full-Time Merit	\$98
Undesignated Contingency	\$122
Senior Services Fund	FY 08 Adjustments
2% Salary Range Improvements	\$8,077
Administrative Costs	(\$24,456)
Cost of meal increase	\$20,000
Full-Time Merit	\$5,217
Interfund for Casualty/Liability	\$71,231
Pay Study Phase II	(\$193,023)
Personnel Services	\$18,389
Solid Waste Fund	FY 08 Adjustments
Administrative Expenses	\$135,828
Contingency	\$176,191
Operating Expenses	(\$91,009)
Personal Services	(\$7,840)
Telephone expense savings (VOIP Project)	\$1,321
Vegetative Waste Operating Expenses	\$514,542
Transit Fund	FY 08 Adjustments
Administrative Costs	\$4,258
Full-Time Merit	\$1,082
Personal Services	\$17,999
Telephone expense savings (VOIP Project)	(\$13,500)
Undesignated Contingency	\$9,242
Water Fund	FY 08 Adjustments
2% Salary Range Improvements	\$17,009
Administrative Services	(\$110,778)
AMS Upgrade	\$48,100

2008 Amended Budget**Budget Summary**

Bond Principal Payment	(\$16,330,000)
Cobb Addressing Repository (CAR)	\$486,063
Miscellaneous Operating Expenses	(\$2,946,176)
Operating Capital	(\$639,575)
Operating Capital	(\$360,000)
Personal Services-Impact of FY 07 Merit, Comp Plan & Positions	\$1,139,162
Telephone expenses savings (VOIP Project)	(\$60,869)
Capital Funds' Budgets:	
Capital Projects Fund	FY08 <u>Revised List</u>
800 MHz Radio System - Core Replacement	\$3,243,847
Clerk of Superior Court Computer System replacement	\$0
Cobb Addressing Repository (CAR) Computer System	\$922,901
Cobb County Administration Building (Bldg A) renovations	\$142,943
Community Development Business Application replacement	\$303,121
County Facilities - Pavement Resurfacing	\$89,000
Data Communications Network upgrades	\$137,574
DOT-Road Resurfacing Projects	\$1,000,000
E911 Console Furniture & Rack Sets	\$19,421
E911 Dispatcher Workstations	\$80,000
E911 Telephone System Switch replacement	\$926,809
E911 & EOC-Traffic Camera Access	\$100,000
Energy Efficient Lighting Upgrades	\$37,032
Financial & Human Resource Systems-capital lease payment	\$80,514
Financial & Human Resource Systems-Upgrades	\$1,028,846
Geographic Information System (GIS) Implementation-Phase 2	\$1,242,869
Integrated Library System	\$845,279
Judicial Case Management System upgrade	\$110,202
Mobile Data Computers-Fire Dept.	\$144,000
Mobile Data Computers-Sheriff	\$86,000
Mountain View Library Expansion & Renovation	\$2,131,270
PC's, Servers & Printers-Countywide replacement	\$1,766,033

Parks-Light Pole Replacements	\$100,000
Police In-Car Video Replacement	\$125,000
Police Radar Replacement	\$66,150
Police & Sheriff Records Management Computer System replacement	\$483,148
Sheriff's Fingerprint Workstation	\$39,919
Sheriff's Tactical Team Equipment	\$190,566
Southern Tech Paving	\$100,000
Transit-Local Share for Capital Grants	\$515,890
Voice Over IP and Integrated Voice Response implementation	\$720,582
Weather Warning Sirens-Replacements	\$113,300
Total of Projects in the Capital Projects Fund	\$16,892,216
Community Development Block Grant (CDBG) Fund	FY 08 Adjustments
Increase Projected CDBG funding to 90% of the FY 07 actual award	\$401,310
Increase Projected ESG funding to 90% of the FY 07 actual award	\$15,090
Home Investment Partnership Act (HOME) Grant Fund	FY 08 Adjustments
Increase Projected Grant funding to 90% of the FY 07 actual award	\$142,901
Justice Assistance Grant (JAG) Fund	FY 08 Adjustments
Increase Projected Grant funding to the level of the FY 07 actual award	\$83,334
Water Renewal, Extension & Improvement (RE&I) Fund	FY 08 Adjustments
Stormwater Capital Projects	(\$634,539)

PERSONAL SERVICES

The Personal Services component of the budget consists of employee salaries and benefits. The largest portion of the Personal Services budget is made up of employee salaries. Salary accounts include regular salaries for full-time employees, part-time salaries and overtime salaries for hours exceeding the Fair Labor Standards Act (FLSA) thresholds.

The following is a list of Additions, Reclassifications, Upgrades, Adjustments, and Reallocations to Personal Services for FY 08.

ADDITIONS

The following new full time positions were included in the FY 08 proposed budget to be effective October 7, 2007 unless otherwise stated. The grades shown reflect the current grade per the approved Classification and Pay Schedule.

Police Department

- 8 Police Officer II, grade 51 (12/30/2007)
- 2 Police Sergeant, grade 53 (12/30/2007)

Sheriff's Office

- 2 Deputy Sheriff II, grade 51
- 4 Deputy Sheriff II, grade 51 (12/30/2007)
- 1 Deputy Sheriff Sergeant, grade 53 (12/30/2007)

The following new positions were not included in the FY 08 proposed budget, but have been added to the amended budget, and are effective October 7, 2007 unless otherwise stated. Grades shown reflect the current grade per the approved Classification and Pay Schedule.

Community Development

- 2 Code Enforcement Officer, grade 47

Police Department

- 1 Police Officer II, grade 51 (12/30/2007)
- 1 Police Lieutenant, grade 56 (12/30/2007)

Sheriff's Office

- 1 Administrative Supervisor, grade 50
- 3 Administrative Specialist II, grade 44
- 3 Deputy Sheriff II, grade 51
- 1 Judicial Administrative Technician IV, grade 48
- 1 Warehouse Worker II, grade 43
- 3 Detention Specialist, grade 44 (12/30/2007)
- 2 Detention Specialist, grade 44 (04/06/2008)
- 5 Deputy Sheriff II, grade 51 (04/06/2008)
- 1 Detention Specialist, grade 44 (06/29/2008)
- 10 Deputy Sheriff II, grade 51 (06/29/2008)

RECLASSIFICATIONS

Periodically, positions are reviewed to ensure position titles and compensation are adequate for the position duties and requirements. If inequities are found, reclassifications are recommended. The following reclassifications will be effective October 7, 2007.

Department	Current Title	New Title
Support Services	1 Clerk/Courier, part-time	1 Mail Services Technician, grade 41
Police Department	1 Police Report Technician, grade 40	1 Public Service Technician II, grade 43
Property Mgt.	1 Maintenance Technician III, grade 48	1 Maintenance Technician IV, grade 51
Solid Waste	1 Compost Plant Manager, grade 57	1 Solid Waste Operations Mgr., grade 58
Purchasing	1 Purchasing Tech I, grade 45	1 Purchasing Tech II, grade 48

UPGRADES

Periodically, positions are reviewed to ensure compensation is adequate and fair for the position duties and requirements. If inequities are found, upgrades are recommended. The following upgrade will be effective October 7, 2007.

Department	Current Grade	New Grade
Purchasing	Fleet Administrative Specialist, grade 45	Fleet Administrative Specialist, grade 49

ADJUSTMENTS

The following salary adjustments will be effective October 7, 2007 for positions within the Police Department.

School Supervisor - \$25.00 per diem
 School Patrol - \$21.00 per diem

Salary adjustments totaling \$33,386 will affect the following positions within the District Attorney's Office, effective October 7, 2007.

Assistant District Attorney, position #2105-003, 2105-004, 2105-014, 2105-022, 2105-025, 2105-028, 2105-031
 Senior Assistant District Attorney, position #2106-002, 2106-003

REALLOCATIONS

Periodically, departmental position allocations are reviewed for transfer opportunities to maximize human resources or to increase the efficiency levels in Cobb County's workforce.

The following positions, along with the associated salary and fringe budget amounts, will be reallocated effective October 7, 2007.

Reallocated From:		Reallocated To:	
Grant Fund	1 Economic Development Coordinator, grade 53	General Fund	1 Economic Development Coordinator, grade 53
5% Crime Victim's Rights Fund	2 Assistant Solicitor	General Fund	2 Assistant Solicitor

The following position will be reclassified and reallocated, but not the associated salary and fringe budget amounts, effective October 7, 2007.

Reallocated From:		Reallocated To:	
Emergency 911	1 Administrative Specialist II, grade 44	County Manager's Office (EMA)	1 Public Program Coordinator, grade 54

CLASSIFICATION AND COMPENSATION PLAN

To maintain our competitive status in the metro area job market, the pay structure for the following salary grades will be effective February 10, 2008.

COBB COUNTY SALARY RANGES			
Grade	Minimum	MCP	Maximum
35	\$18,449.60	\$22,443.20	\$28,038.40
36	\$19,364.80	\$23,566.40	\$29,473.60
37	\$20,300.80	\$24,772.80	\$30,804.80
38	\$21,320.00	\$26,020.80	\$32,323.20
39	\$22,443.20	\$27,331.20	\$34,174.40
40	\$23,566.40	\$28,662.40	\$35,817.60
41	\$24,668.80	\$30,076.80	\$37,627.20
42	\$25,896.00	\$31,616.00	\$39,478.40
43	\$27,248.00	\$33,155.20	\$41,516.80
44	\$28,558.40	\$34,881.60	\$44,179.20
45	\$29,972.80	\$36,628.80	\$46,508.80
46	\$31,532.80	\$38,459.20	\$48,859.20
47	\$33,051.20	\$40,393.60	\$51,188.80
48	\$34,777.60	\$42,328.00	\$53,955.20

COBB COUNTY SALARY RANGES			
Grade	Minimum	MCP	Maximum
49	\$36,504.00	\$44,470.40	\$57,220.80
50	\$38,355.20	\$46,716.80	\$60,278.40
51	\$40,185.60	\$49,067.20	\$63,148.80
52	\$42,224.00	\$51,521.60	\$66,518.40
53	\$44,366.40	\$54,558.40	\$69,763.20
54	\$46,508.80	\$56,825.60	\$74,256.00
55	\$48,859.20	\$59,571.20	\$78,041.60
56	\$51,292.80	\$62,628.80	\$81,910.40
57	\$53,851.20	\$65,686.40	\$86,091.20
58	\$56,596.80	\$69,056.00	\$90,563.20
59	\$59,467.20	\$72,404.80	\$95,264.00
60	\$62,420.80	\$76,107.20	\$100,048.00
61	\$65,499.20	\$79,851.20	\$106,808.00
62	\$68,744.00	\$83,844.80	\$112,112.00
63	\$72,217.60	\$88,129.60	\$117,416.00
64	\$75,899.20	\$92,518.40	\$123,323.20
65	\$79,664.00	\$97,115.20	\$129,646.40
66	\$83,636.80	\$102,003.20	\$136,260.80
67	\$87,817.60	\$107,099.20	\$143,104.00
68	\$92,206.40	\$112,403.20	\$150,363.20
69	\$96,803.20	\$118,019.20	\$157,809.60
70	\$101,587.20	\$123,926.40	\$165,651.20
71	\$106,288.00	\$130,166.40	\$173,284.80

HEALTH BENEFIT

The Health Plan requires continuous review to optimize benefit solutions for a diverse population. We continue to work to find better ways to manage both the current cash cost and the future retiree costs for the health benefits program. To balance the need to control costs, and to provide quality coverage, employees and retirees will become more engaged in their choice for health care coverage.

To protect health care benefits for the future, both the County and employees/retirees are paying more for benefits. To comply with GASB accounting practices, last year a 30% increase was added to the health premiums as we began to plan for the needed cash to fund the other post-employment benefits (OPEB). The 30% increase to the premiums is approximately 7% of payroll.

Wellness initiatives will continue with more education to employees encouraging self management of their health. BlueCross BlueShield of Georgia introduced the 360° Health Program to employees offering tools, guidance and support for better management of health. The Wellness Committee sponsored a six-month "Journey to Wellness" pilot program, introduced in July, 2007. In partnership with WellStar Corporate and Community Health, approximately 150 of the county's 4,300 full-time employees engaged in the program to develop ways for a healthful lifestyle. The program was designed to identify risk factors which may lead to serious illnesses and encourage participants to make improvements toward weight management, nutrition and fitness.

An offering of additional medical plan options, without diminishing quality health care will allow participants more choice. The current PPO plan covers a network of healthcare providers who have negotiated fees for services. The individual has the choice of seeing nonparticipating doctors; however out of network doctors' services may not be fully covered. The HMO and a new Open Access Point of Service (OA POS) offer a smaller network of providers who have lower negotiated fees. In Cobb County 85% of the healthcare providers in the PPO are also in the OA POS network. The new OA POS option will provide the same plan design as the current PPO. Individuals will have access to the BCBS-GA HMO/OA POS provider network, resulting in a lower cost structure on provider fees, with no requirement to choose a Primary Care Physician (PCP) and the ability to choose specialty providers without the need of a referral. The savings from this change is estimated to impact the claims costs by over a million dollars.

In response to requests from retirees and the Commissioners a lower cost benefit option for over-65 retirees will be offered for 2008. The new option is a group Medicare Advantage Private Fee for Service (MA-PFFS) medical plan through Blue Cross. These plans have been around for just a few years and offer Medicare-eligible retirees a good value with simpler claims administration when compared to traditional Medicare combined with traditional group insurance. This is not a network-based plan and retirees may see any Medicare accepting healthcare provider. In most cases this plan will provide more benefit at a lower cost than our current PPO plan. Retirees who choose this option will retain the same Medco drug benefit as in the other plans. Retiree meetings and mailings will introduce this new option.

We have negotiated improved pricing on our Prescription Drug program with Medco for 2008. Getting the improved pricing was contingent on the County adopting some additional step-therapy claims management programs. We adopted an initial step-therapy program last year which has been successful. For 2008 we plan to add the following categories: Antidepressants, Osteoporosis Therapy, Sleep Medication, and Intra-nasal Steroids. This will only apply prospectively so that members currently using medications in these therapeutic classes will not be impacted.

SUMMARY OF CHANGES-2008

1. Pharmacy program - Revised contract terms with Medco involving discounts, dispensing fees and guaranteed rebates are projected to save the overall plan \$350,000. Step therapy programs are projected to create additional savings, approximately \$50,000 in the first year.
2. Active and Pre-65 Retiree Medical - The County plans to offer a third plan option, Open Access POS, which will have the same plan design as the current PPO, but will utilize the discounts that are available in the HMO network. We estimate the savings over the current PPO will be 15% and that 50% of the members currently enrolled in the PPO will migrate to the OA POS.
3. Post-65 Retiree Medical - The County plans to offer a third plan option, Medicare Advantage, which will be for medical only. The current contract with Medco for drug coverage will continue through 2008. We estimate that 50% of the members currently enrolled in the PPO will migrate to the Medicare Advantage plan, saving the medical plan about \$150,000.

RETIREE MEDICAL ELIGIBILITY REQUIREMENTS

1) Effective October 1, 2007

During annual enrollment, all retirees will be required to sign an affidavit stating whether or not other medical coverage is available from their current employer. If other medical coverage is available, retirees will be required to select their current employer's plan as primary and the Cobb County Medical plan will convert to a secondary plan. Retirees may opt to waive coverage under the Cobb County Medical Plan. If there is a loss of the other coverage, re-enrollment in the Cobb County Plan will be allowed.

2) Effective January 1, 2008

All employees who meet eligibility for retiree medical coverage as of January 1, 2008, will only be able to continue coverage for those dependents who were covered at the time of retirement. No new dependents will be eligible to participate in the retiree medical plan after the employee commences retirement.

3) Effective January 1, 2008

For all new hires as of January 1, 2006, after meeting the eligibility for retiree medical coverage, the cost for single coverage will be the same cost as the current active single coverage. To continue coverage for dependents: employee + 1 or family coverage, the premium cost will be one hundred percent (100%) of the cost (Employer and Employee) less the current active employer monthly premium for single coverage for the selected plan.

Example:	Employee	County
PPO Single Coverage Current Monthly rate	\$91.22	\$556.96
PPO Single + 1 = \$1,312.65 - (556.96)	\$755.69	\$556.96
PPO Family = \$1,794.67 - (556.96)	\$1,237.71	\$556.96

2008 BENEFIT PREMIUMS

Bi-weekly Premiums for the PPO Plan

	Effective 10/12/2007 paydate		Effective 01/04/2008 paydate	
Coverage	Employee	County	Employee	County
Single	\$ 27.85	\$257.77	\$ 42.10	\$257.06
Single + 1	\$ 100.94	\$477.47	\$ 130.96	\$474.88
Family	\$ 138.01	\$652.80	\$179.05	\$649.26

Bi-weekly Premiums for the Open Access POS Plan

	Effective 01/04/2008 paydate	
Coverage	Employee	County
Single	\$ 28.56	\$257.06
Single + 1	\$ 103.54	\$474.88
Family	\$ 141.55	\$649.26

Bi-weekly Premiums for the HMO Plan

	Effective 10/12/2007 paydate		Effective 01/04/2008 paydate	
Coverage	Employee	County	Employee	County
Single	\$ 20.04	\$185.48	\$ 20.55	\$184.97
Single + 1	\$ 71.74	\$339.32	\$ 73.58	\$337.48
Family	\$ 96.84	\$458.08	\$ 99.33	\$455.59

Monthly Premiums for the Medicare Advantage - PFFS

	Effective January 2008	
Coverage	Retiree	County
Single	\$ 50.59	\$455.29
Single + 1	\$ 199.46	\$914.83

The Dental Plan experience was favorable and costs have been contained therefore there will be no change from the previous year:

	Effective 10/12/2007 paydate		Effective 01/04/2008 paydate	
Coverage	Employee	County	Employee	County
Single	\$ 0.00	\$ 12.05	\$ 0.00	\$ 12.05
Family	\$ 20.74	\$ 12.05	\$ 20.74	\$ 12.05

COBRA benefits will be administered based upon the following monthly premiums:

	October 2007 - December 2007		
Coverage	PPO	HMO	Dental
Single	\$ 473.40	\$340.65	\$ 26.63
Single + 1	\$ 958.70	\$681.31	\$ n/a
Family	\$ 1,310.74	\$919.76	\$ 72.47

	January 2008 - September 2008			
Coverage	PPO	OAP	HMO	Dental
Single	\$ 508.57	\$485.55	\$ 349.39	\$26.63
Single + 1	\$ 1029.92	\$983.30	\$ 698.79	\$n/a

2008 Amended Budget**Budget Summary**

Family	\$ 1,408.12	\$1,344.38	\$ 943.37	\$72.47
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RETIREMENT PLAN ADJUSTMENT

Previously adopted and upon recommendation of the Board of Trustees, the employer/employee contribution partnership of the County's 2/3 and the Employee's 1/3 share will increase by the following schedule:

Effective Paydate	County %	Effective Date Upon Merit Increase	Employee %
October 12, 2007	10.25 to 10.50	February 10, 2008	4.75 to 5.00